

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2630-01
BILL NO.: HB-1355
SUBJECT: Business and Commerce
TYPE: Original
DATE: March 31, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	unknown	unknown	unknown
Total Estimated Net Effect on <u>All</u> State Funds *	unknown	unknown	unknown

* unknown revenue from filing fees.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

ASSUMPTION

Department of Insurance officials assume no fiscal impact.

Officials of the **Office of Secretary of State** assume that all limited liability companies would be required to make certain filings with the Secretary of State pursuant to Section 347.041.0 (3) and (4), RSMo.

Officials assume depending on the number of additional filings that storage and administrative functions could be absorbed at current appropriation levels, however, if the filings were to be greater than estimated, storage space and additional FTE might be required at some later date.

Officials assume that each limited liability company when making filings required by this proposal would pay a filing fee which is currently set at \$25.00. Officials stated that it is not possible to predict how many annual filings would be made by the approximately 34,000 limited liability companies registered with the Secretary of State, therefore, SOS officials could not estimate the amount of revenue that would go into the State's General Revenue Fund.

Oversight assumes this proposal would result in unknown additional revenue to the State's General Revenue Fund from annual filing fees collected by the Secretary of State's office.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Income to General Revenue Fund*</u>			
from Secretary of State filing fees	unknown	unknown	unknown

***Income would depend upon the number of filings by limited liability companies.**

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

All limited liability companies would be required to comply with this proposal and would make some limited additional filings with the Office of Secretary of State. Companies would be expected to be impacted to the extent that they would pay a filing fee for each filing made.

DESCRIPTION

This act modifies the requirements regarding a limited liability company's articles of organization. Under the act, a limited liability company's articles of organization shall contain the names and addresses of its managers if the company's management is vested in one or more managers. If the management of the company is vested in its members, then the articles must contain the names and addresses of its members. This act also modifies the amendment procedure for a limited liability company.

A limited liability company's articles of organization shall be amended to reflect a change in management.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Secretary of State
Department of Insurance



Jeanne Jarrett, CPA
Director
March 31, 2000